



Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, MARCH 30, 2000
WWW.USDOJ.GOV

AT
(202) 514-2007
TDD (202) 514-1888

HEARST CORP. TO SELL SAN FRANCISCO EXAMINER TO ExIn LLC, RESOLVES JUSTICE DEPARTMENT'S ANTITRUST CONCERNS

First Time in 35 Years San Francisco will have Two Independent Daily Newspapers

WASHINGTON, D.C. -- The Department of Justice announced today that Hearst Corporation has resolved the Department's antitrust concerns relating to its proposed acquisition of the *San Francisco Chronicle* by entering into an agreement to sell the Hearst-owned *San Francisco Examiner* newspaper. Under the agreement, Hearst will sell the *Examiner* to ExIn LLC, which plans to continue publishing the *Examiner* as a daily newspaper.

The Department's Antitrust Division had been investigating Hearst's proposed acquisition of the *San Francisco Chronicle* from Chronicle Publishing Company because it had antitrust concerns about the transaction.

Since 1965, the *Examiner* and the *Chronicle* have been operated under a Joint Operating Agreement (JOA). Under the Newspaper Preservation Act, JOAs are permitted to set the prices of their papers and their advertisements jointly, on the condition that they preserve editorial and reportorial competition. The JOA would have expired in 2005.

Under the terms of the agreement, there will be a four-month transitional period, after which the papers will be operated independently of each other. At that time, the *Examiner* will be offered as a daily morning newspaper. The sales of both newspapers are currently scheduled to take place on March 31, 2000.

“For the first time in 35 years, San Francisco will have two independent daily papers,” said Joel I. Klein, Assistant Attorney General in charge of the Department’s Antitrust Division.

“Consumers, such as advertisers and readers, will obtain the benefits of full competition between two daily morning papers.”

After its purchase of the *Chronicle*, Hearst will file an amendment to its JOA with the Department.

The *Examiner* has a daily circulation of about 110,000 newspapers, and the *Chronicle* has about 450,000.

ExIn LLC is owned by the Fang family of San Francisco. The Fang family also owns the *San Francisco Independent*, a Bay Area newspaper published three times each week with a circulation of over 375,000.

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